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Hearing on "Transforming the Federal Aviation Administration; a Review of the Air Traffic Organization and the Joint Planning and Development Office"

House Transportation & Infrastructure Aviation Subcommittee

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Introduction

Chairman Mica, on behalf of the Aerospace Industries Association of America, or AIA, I wish to thank you, Representative Costello, and members of the Aviation Subcommittee for the opportunity to testify this morning on the strong connection between our national prosperity and the transformation of the U.S. aviation infrastructure. AIA, whose member companies employ 607,000 engineering and production workers, has a long history with air traffic systems issues. With more than 100 regular and 170 associate members, we also operate as the largest aerospace manufacturing trade association in the United States.

The Imperative for Air Traffic Management Modernization

Mr. Chairman, under your leadership, *The Century of Aviation Reauthorization Act of 2003*, or *Vision 100*, framed the public policy issues on which Congress and the Administration must build a consensus if the United States, the most mobile nation on earth, will attain an air traffic management system that reflects the national security and economic requirements of our time.

As you noted after the House overwhelmingly passed *Vision 100*, "No nation relies on the safe and efficient operation of aircraft more than the United States. Almost two-thirds of all the world passengers take off or land on U.S. soil." *Vision 100* emerged from an unprecedented strategic environment in which the communications and capacity needs of the Air Transportation System (ATS) have changed significantly.

Rising fuel prices, Internet-generated business, foreign trade, the September 11th attacks, and the need for improved airport security have imposed unanticipated demands on an air transportation system designed in the 1960s. A 2004 report by the FAA revealed that in the next 20 years, 20 more U.S. airports will handle at least 500,000 arrivals and departures on an annual basis. Combined FAA and industry estimates project that the number of air passengers worldwide will triple by 2025 after doubling since 1985, and according to the Census Bureau, aircraft now carry one-third of the nation's exports as measured by value.

Delays, however, follow insufficient capacity, and lost time in the aviation sector means lost money. In 1994, 81 percent of all domestic flights took off on time yet NASA reported that delays of 15 minutes or more still cost the aviation industry $2.3 billion. By 2000, the on-time rate had decreased to 72 percent, and the *Aerospace Commission* estimated that the cost of delays to the entire economy could exceed $30 billion each year.

AIA therefore believes that Section 709 of *Vision 100,* establishing the FAA-led Joint Planning and Development Office (JPDO), represents a historic effort to coordinate federal government resources, in the words of the law, to:

- "*Improve the level of safety, security, efficiency, quality, and affordability of the National Airspace System and aviation services."*

The need for a systems modernization consensus among public officials, Mr. Chairman, goes beyond even the vital objective of reducing air travel delays and congestion. An ATS network that relies on state-of-the art capabilities will reduce our vulnerability to acts of terrorism unknown to Americans before the homeland came under attack. It will become more reliable in the delivery of investors and cargo to points of economic opportunity and soldiers to points of armed conflict. In an aviation sector that accounts for nearly 15 percent of the nation's GDP, it will operate as one of the technological backbones of economic growth and job creation.

The Complexities of an Inter-Agency Effort

Charged with the task of modernization, the JPDO must develop an adaptable air traffic management system capable of handling increased conventional and unconventional traffic loads while orchestrating the policy input and financial contributions of seven different government agencies. This task, however daunting, is not unprecedented.

First, for the JPDO to accomplish its goals by 2025, two developments must happen. The establishment of a new, dynamic air transportation system must become a clear Congressional *and* Presidential priority. Without the support of Capitol Hill and the White House, the JPDO will have little leverage in enlisting the fiscal and strategic cooperation of the seven federal agencies.

Second, it remains essential that this Congress and the Bush Administration (as well as their successors) provide clear direction to the Department of Transportation, the Federal Aviation Administration, the Department of Defense, the Department of Homeland Security, the Department of Commerce, and NASA, that the Next Generation Air Transportation System (NGATS) is of critical importance to the economic and national security of the United States.

Only with clearly stated backing from both the legislative and executive branches of our government will an adaptable and effective air transportation system come to fruition.

One key to a successful, cost effective implementation of the NGATS will be the transfer of existing military technologies for use by the civilian agency leaders and the commercial aviation marketplace. Existing Defense Department technologies must be made readily available for use by the JPDO and the future systems integrator as a part of the NGATS. The transfer of these technologies, however, may become bogged down by inter-agency disputes and will only occur with clear direction from the legislative and executive branches of government.

The Next Generation Air Transportation System Institute: Platform for Industry-Government Cooperation

In their December 2004 *Integrated Plan*, Mr. Chairman, JPDO leaders declared that the NGATS "must be driven by industry efforts to promote the economic efficiency of the system . . . and to ensure protection of the public in terms of safety, security, and environmental concerns."

To support the execution of this mission, AIA formed the NGATS Institute to work on a daily basis with the JPDO on air systems transformation and investment issues. A high-level Management Council composed of leading civil aviation community representatives will direct the efforts of the Institute. The Institute will provide industry representatives to the JPDO's eight Integrated Product Teams (IPTs) to furnish input and coordinate activities with the agency's program staff and Senior Policy Committee.

Stakeholder involvement will bring capabilities and insights to the JPDO that would not otherwise be available. Broad user involvement representing all segments of the aviation community is key to defining the architectural and operational needs for the NGATS. Involving the users, operators and providers of the aviation system will ensure that it can be practically deployed, and safely and efficiently operated. The JPDO will benefit from the extensive industry experience industry stakeholders have gained through the transformational initiatives with other agencies. For example, manufacturers of aircraft, aircraft systems and air traffic systems will provide broad systems engineering skills, technology readiness awareness and business case understanding to support the definition of an optimized architecture and timeline for deployment.

Joint operations by the JPDO and the Institute will unite researchers, regulators, producers, organized labor, and operators in the construction of a safe and flexible Next Generation Air Transportation System. In this context, Mr. Chairman, the Institute reflects the Subcommittee's desire for a more collaborative and accountable relationship between industry and government on aviation modernization strategies.

The Role of Congress

The broad public benefits of ATS transformation should lead Congress to make this mission a standing national priority. *Vision 100* began this process in the realm of policy, and the Administration commendably increased JPDO funding allocations in the federal government's FY 2006 budget request. As I mentioned previously, with seven government entities involved, Congress must also require inter-agency cooperation and accountability, particularly between NASA, FAA, and the Defense Department, on JPDO technology sharing and personnel assignments. In addition, AIA encourages the Subcommittee to scrutinize the FY06 budget request to ensure that the JPDO continues to receive adequate resources to begin the implementation of its agenda as outlined in the organization's December 2004 *Integrated Plan*.

Congressional ATS funding and oversight initiatives, Mr. Chairman, assume greater importance in light of the aggressive R&D programs of America's main civil aviation competitor overseas: the European Union (EU). At the end of March, the *Advisory Council for Aeronautics Research in Europe*, a branch of the European Commission (EC), released a new blueprint authorizing a 70 percent increase in spending over the next twenty years, for a total of $221 billion, on five "high-level target concept" areas: operational cost reduction, safety, delays, airport and airframe security, and environmental improvements. This spending goal reinforces the EC's January 2001 plan entitled *European Aeronautics: A Vision for 2020*, a document that adopts the goal of "a world-class European aeronautics industry that leads in global markets for aircraft and engines."

Yet NASA, the government's leading aeronautics research agency, moves in the opposite direction of the EU with proposed cuts in aeronautics programs of almost 25% over the next four fiscal years even though it focuses on vital public interest research: initiatives that make air travel more quiet, secure, and reliable.

EU officials take an integrated strategic view of air systems modernization because they understand the linkages among aviation, economic growth, and international influence. AIA urges the Subcommittee to consider the EU's intense commitment to its air transportation sector in overseeing not only the JPDO, but also in working with the House Science and Appropriations Committees to expand government-wide aeronautics research.

The Challenges That Lie Ahead

In the face of daunting budgetary and international challenges, there should be no misunderstanding about the financial cost of creating the NGATS. This undertaking will be time-consuming and expensive. Over the next 20 years, the JPDO will have the charge of assessing the current and future states of air traffic, (including passenger loads, aircraft size and performance capabilities), the use of rotorcraft and other vertical take-off and landing vehicles, and the use of UAVs, among other issues. The air traffic management system we see in 2025 will likely look vastly different than the one in place today.

Federal decision-makers must also consider the use of skies for civilian access to space in the NGATS planning process. Will the FAA continue to shut down large sectors of airspace for every launch of a space vehicle, as it has historically done with NASA flights, or will the system of the future provide for seamless integration of both conventional and space-bound aircraft?

The JPDO, working with industry stakeholders, must design a system that can accommodate all of these current aircraft types and those that may become available in the years ahead. A new network must be adaptable enough to deal with technology and customer demand changes without requiring costly reengineering of the system as a whole.

If the decision is made to completely rebuild the current air traffic management system, the NGATS will require a large and predictable infusion of federal funds. The challenge will be for the government to provide a stable stream of funding and thus allow the JPDO and the future systems integrator to carry out their work.

The time to debate federal funding of the NGATS is now. The JPDO is currently in its evaluation phase, examining the needs of the system of the future and the most efficient way to achieve them. It is at this time of relatively low funding ($5 million in FY05, a proposed $28 million in FY06) that fiscal plans for the future must be laid.

For this program to succeed, a transparent and reliable funding method must be identified.

Conclusions

Our current air transportation system, Mr. Chairman, is straining to meet the capacity demands triggered by an evolving US economy. A transformed air traffic management system with adequate capacity to handle future needs will stimulate economic growth by facilitating the widespread use of tools such as just-in-time deliveries for lean manufacturing.

The integration of information and secure communications in the future air transportation system will be necessary to ensure situational awareness among all system managers and users. Enhanced passenger, baggage, and cargo screening procedures will also ensure a seamless security network without constraining the movement of people of products.

In addition, the elimination of delays caused by congestion and bad weather will allow continued growth in the travel and tourism sector by making air travel more convenient and affordable to the public.

Beyond economic, security, and capacity improvements, the NGATS will provide the nation with lasting environmental benefits since today's on-ground delays and indirect air routings increase fuel consumption and produce higher emissions.

Mr. Chairman, America's world aviation leadership remains critically important to our prosperity in the age of the information economy and our public safety in the era of trans-national terrorism. AIA therefore congratulates the Subcommittee for its leadership in creating the JPDO and encourages Congress to take the subsequent policy and funding steps necessary to sustain the organization's air systems modernization efforts.